

Division of Medicaid Services

**Presented to Senate Finance Committee
April 29, 2019**



Information Systems



MMIS & Analytics
Pharmacy Benefits



Benefits

MMIS & Analytics

- Delivering over \$1.86 Billion in Services per year
- Supporting more than 180,000 clients annually

Pharmacy Benefits

- Delivering over \$28.7 Million in Services per year
- Supporting more than 108,000 claims annually

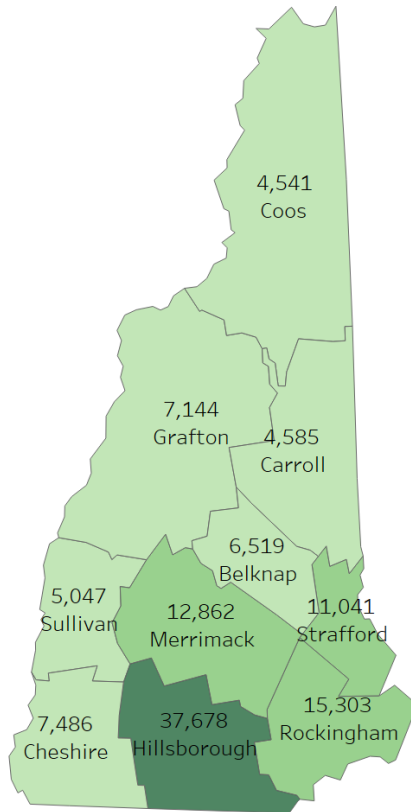
MCM Populations Served

- Nearly **180,000** MCM members
- Effective January 1, 2019
Approximately **50,000** Medicaid members in New Hampshire's Expansion program have transitioned from Marketplace coverage into the Medicaid Care Management program
- Covered populations include:
 - ✓ Pregnant Women
 - ✓ Children
 - ✓ Parents/ Caretakers
 - ✓ Non-Elderly
 - ✓ Non-Disabled Adults < 65
 - ✓ Aged, Blind or Disabled
 - ✓ "Granite Advantage" Expansion Adults (beginning 1/1/19)



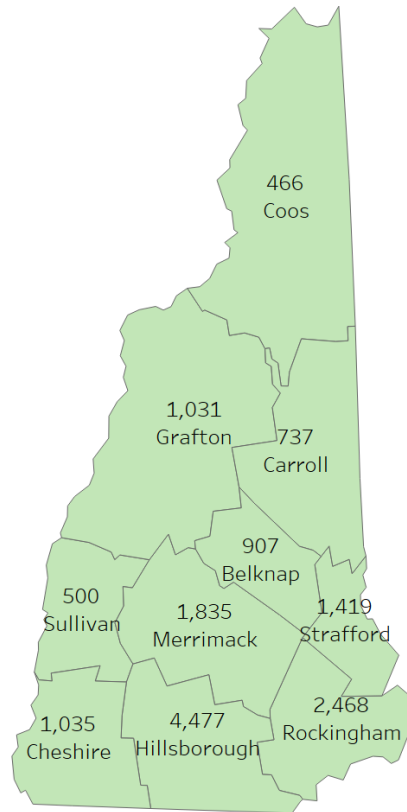
NH Medicaid Enrollment by County and Program (SFY 2020 / 2021 assumes stable enrollment based on 3/1/19)

Standard



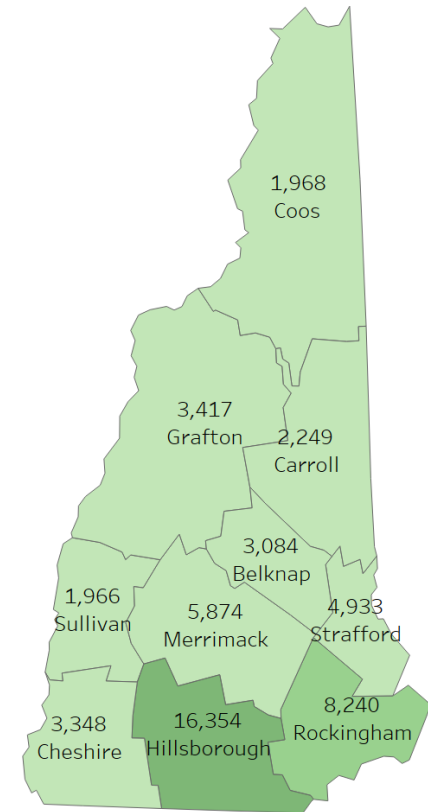
Total Standard Enrollment: 112,385

CHIP



Total CHIP Enrollment: 14,876

Expansion



Total Adult Expansion Enrollment: 51,473

Note: Only includes members with full Medicaid benefits; excludes 220 unknown county / out-of-state; Source: NH MMIS as of 3/4/19



Budget Overview: 4710 Division of Medicaid Services

4

Rounded to \$000	SFY18 Actual	SFY19 Adjusted Authorized	SFY19-SFY18 Over(Under)	SFY20 Governor Budget	SFY20 House Budget	SFY21 Governor Budget	SFY21 House Budget
Activity 4710:							
General Funds	\$218,033	\$246,383	\$28,350	\$240,505	\$240,660	\$249,554	\$252,311
TOTAL FUNDS	\$1,023,667	\$1,011,695	(\$11,972)	\$1,117,250	\$1,117,559	\$1,136,030	\$1,141,545
AU 7948 Medicaid Care Management:							
General Funds	\$119,074	\$146,446	\$27,342	\$162,105	\$162,205	\$165,102	\$167,802
TOTAL FUNDS	\$618,903	\$666,628	\$47,725	\$667,981	\$668,181	\$684,403	\$689,803
AU 7051 Child Health Insurance Program:							
General Funds	\$34,476	\$35,511	\$1,035	\$15,363	\$15,363	\$23,929	\$23,929
TOTAL FUNDS	\$69,013	\$71,084	\$2,071	\$74,545	\$74,545	\$74,536	\$74,536
AU 8009 Medicaid Mgmt Info System:							
General Funds	\$6,816	\$3,091	(\$3,725)	\$3,091	\$3,091	\$3,091	\$3,091
TOTAL FUNDS	\$32,247	\$20,200	(\$12,047)	\$20,200	\$20,200	\$20,200	\$20,200



FY18 Actuals vs. FY19 Adjusted Authorized

5

Total Fund Decrease \$11M
SFY 2018 includes supplemental appropriation of general funds that covered the less than budgeted MET revenue

SFY 2018 includes additional MMIS contract costs for operations and modifications – not included in SFY 2019 Adjusted Authorized

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Governor Phase Changes to Efficiency Request

6

AU 5201 IDN: Budget Adjustment

General fund decrease to budget equal to DSHP earn cap
SFY 2020 (\$1.5M) / SFY 2021 (\$4.9M)

AU 7948 Medicaid Care Management: Budget Adjustment

Increase Rx rebates: SFY 2020 / 2021 \$2.5M
Decrease General Funds SFY 2020 / 2021 (\$5M)

AU 7051 Child Health Insurance Program: Budget Adjustment

Increase general funds: SFY 2020 \$6.4M / SFY 2021 \$14.9M
Decrease in enhanced federal match: 88% = 7/1/19 thru 9/30/19;
76.5% = 10/1/19 thru 9/30/20 and 65% = 10/1/20 thru 6/30/21

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House Changes to Governor Phase Budget

7

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1915i Supportive
Housing
child abuse
specialized medical
evaluation program

AU 7937 Medicaid Admin:
MMIS positions: 1 previously
unfunded position was funded:
Information Technology
Manager
3 MMIS positions remain
unfunded: 2 Business Systems
Analyst and 1 Senior Mgmt
Analyst

Dental Benefit
effective 1/1/21
SFY2021: \$5M TF /
\$2.5M GF



MCM Program Rate / Budget Chronology SFY 2019-2021

8

1. Average capitation rate for SFY 2019 \$409.33 before Granite Advantage
2. Adjusted average capitation rate is \$414.85 when Granite Advantage Health Care Program implemented 1/1/19
3. SFY 2020 average capitation rate is \$446.21
4. Adjusted SFY 2020 capitation rates remain subject to legislative changes that impact the program and completion of the annual rebasing performed by the actuary
5. SFY 2020 rate setting to date for the re-procured MCM Program requires: \$924.5 million total funds, of which \$135.1 million is general funds, \$124.5 million other funds and \$30.6 million is non-federal funding for the Granite Advantage Health Care Trust.



Significant Funding Issues for SFY 2020 / 2021

1. Implementing the rate increases and program changes proposed in legislation such as:
 - SB 308: 5% and 7% Medicaid provider rate increases
 - SB 11: Designated Receiving Facilities (DRF) rate increases and DRF expanded bed capacity
 - SB 5: \$3M for enhancing provider rates for mental health and substance use disorder inpatient and outpatient services
2. Medicaid Care Management SFY 2020 / 2021 funding
3. Funding MMIS base-line maintenance and operations while on a path to MMIS reprocurement.



CMS Reported Medicaid Rate Trends in Rates

10

CMS trends: The table below shows CMS's estimated trends over the next three years by population. This information is from Table 22 in the following link: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/MedicaidReport.html>

New Hampshire's MCM Program increase since inception has averaged 3.8%

Table 1

New Hampshire Department of Health and Human Services

CMS Published PMPM Trend Estimates - Medicaid

FFY	Aged	Disabled	Children	Adults	Expansion
2019	2.5%	3.0%	3.4%	3.7%	5.3%
2020	4.0%	4.7%	4.7%	5.1%	5.1%
2021	3.8%	5.0%	4.8%	5.1%	5.0%



Key Program / Services Support Teams - MMIS

11

Medicaid Management Information System

Determines and issues payments to providers and plans as authorized under the Medicaid Program; manages recipient enrollment in Medicaid, Managed Care, and Premium Assistance Program Qualified Health Plans and issues ID cards; MMIS receives and adjudicates medical claims from Providers and determines payment, and the MMIS generates capitated per member per month payments to MCOs and Qualified Health Plans.

MMIS must comply with federal MMIS certification requirements, federal mandates including privacy and security, and identify fraud and abuse.

Operations and MMIS re-procurement

- Re-procurement of the MMIS system requires full collaboration with DOIT
- CMS' approval of enhanced funding for MMIS re-procurement now depends on states following a more directed re-procurement process. Large scale "big bang projects" are not being approved for enhanced funding.
- The timing of the re-procurement is still subject to developing our implementation plan with CMS guidance.
- Additional funding proposed over the House Budget is needed for operation and maintenance as well as the initial procurement steps based on on-going discussions with CMS.
- Governor's Office included \$10M for re-procurement



Medicaid Mgmt Information Systems Funding

In order to continue operations and maintenance of the MMIS, the general funds required over the next biennium are \$8.9M for SFY 2020 and \$9.3M for SFY 2021:

Budget Item	Contractor	Gen\$ 2020	Gen\$ 2021
MMIS Operations	Conduent	\$6,169,024	\$6,539,895
MMIS QA	Cognosante	\$2,000,000	\$2,000,000
State and Federal planned M&O for new functions	Conduent	\$750,000	\$750,000
Total		\$8,919,024	\$9,289,895

	Operating Expenses (GF)	
	SFY 2020	SFY 2021
M&O required to operate the MMIS	\$8,919,024	\$9,289,895
Funded M&O in current proposed Budget	\$3,005,840	\$3,005,840
Shortfall	\$(5,913,184)	\$(6,284,055)

